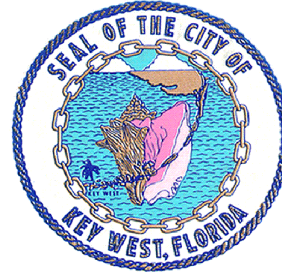


EXECUTIVE SUMMARY



TO: Jim Scholl
City Commission

CC: David Fernandez

FR: Marilyn Wilbarger, RPA, CCIM

DT: May 21, 2012

RE: Lease Renewal for 2 Duval Street

ACTION: This is a request to approve a lease renewal for GRM Enterprises located at 2 Duval Street.

BACKGROUND:

The demised area includes an upland area for sales, ticketing, and passenger check-in in addition to a one slip docking facility for the operation of the Fury Water Adventures glass bottom boat. The previous lease expired in 2007 and although this operation has occupied this area for many years there was no submerged land lease with the state. Therefore we pursued and we're granted a submerged land lease in support of this operation which now enables us to renew the lease. The terms of the lease renewal are at a market rate and are proposed for approval as follows:

Use: A tour boat operations facility for passenger check-in and ticket sales for and in conjunction with the one slip docking facility to be used exclusively for mooring of TENANT'S commercial tour boat/sightseeing vessel and no other purpose.

Demised Premises: 2 Duval Street including the single vessel docking facility contiguous to the upland Demised Premises

Term: Ten years

Rent: \$102,000.00 in base rent for year one with 6% of gross sales in excess of a breakpoint established at \$1,569,230 in year one.

Increases: 5% annual increases in Base Rent

Additional Rent: Tenant shall pay maintenance, taxes, and insurance

Utilities: Tenant shall pay all utilities

FINANCIALS:

The previous lease provided for a \$30,000 minimum annual rental or 5% of gross receipts with annual CPI increases. The lease renewal establishes the guaranteed base rent at fair market rate of \$102,000 and therefore reduces the landlord's risk of the rental stream being tied to the tenant's sales.

RECOMMENDATION:

Staff recommends approval of the action requested.

ATTACHMENTS:

Lease Renewal
Expired Lease